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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. |
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| 09/049,297 | 03/27/98 | WALKER J | WD2-98-007 |

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TM02/0907

| EXAMINER | |
|---|---|
| HAYES, J | |
| **ART UNIT** | **PAPER NUMBER** |
| 2161 | |

**DATE MAILED:** 09/07/01

**Please find below and/or attached an Office communication concerning this application or proceeding.**

**Commissioner of Patents and Trad marks**

PTO-90C (Rev.11/00)

1- File Copy

| Office Action Summary | Application No. | Applicant(s) | |
|---|---|---|---|
| | 09/049,297 | WALKER ET AL. | |
| | Examiner | Art Unit | |
| | John W Hayes | 2161 | |

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1)☒ Responsive to communication(s) filed on *21 June 2001* .

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4)☒ Claim(s) *98-108* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *98-108* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

## DETAILED ACTION

### *Status of Claims*

1. Claims 13-14, 33-34, 56-57 and 80-81 have been canceled in the amendment filed 08 January 2001. Claims 1-12, 15-32, 35-55, 58-79 and 82-89 were previously canceled. Claims 90-97 have been canceled in the amendment filed 21 June 2001. Thus, claims 98-108 are the only claims that remain pending.

### *Response to Arguments*

2. Applicant's arguments filed 21 June 2001 have been fully considered but they are not persuasive.

3. As per claims 98-108, applicant argues that the cited references fail to teach or suggest determining a second discount based on the time of a first discount. Examiner respectfully disagrees and notes that Valencia et al teach a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe (Col. 3, lines 1-8 and 24-41; Col. 5, lines 37-61; Col. 6, lines 6-21). For example, a customer purchases a first product during a specified time of the transaction and is given a first discount. If the customer purchases additional quantities of the first product at a later time, but within a certain timeframe, then the customer is given a second discount of increasing value as determined by the shop the dots promotion as taught by Valencia et al. Thus, the second discount is determined based upon the time of the first discount, since the time of the second purchase must be within a predetermined period of time of the first purchase in order to qualify for the promotion.

*4.* Applicant also argues that the proposed modification of Deaton et al in light of Valencia would change the principle operation of the Deaton et al system. Applicant further asserts that Deaton et al teaches away from providing discounts of increasing value to customers making repurchases within a predetermined time period. Applicant also argues that the principle operation of Deaton et al is to award greater incentives to customers that act undesirably which Applicant submits is contrary to the claimed

invention which generally serves to award greater incentives to customers that act desirably. Examiner disagrees and submits that Applicant appears to be focusing on only one aspect of the teachings of Deaton et al. Examiner submits that Deaton et al teach many different types of incentives other than rewarding customers who don't return to a store including providing rewards to especially good shoppers to entice them to maintain their historical level of purchases and to hold onto high volume shoppers (Col. 67, lines 4-9) and increasing or decreasing future incentives in order to maintain certain required levels of spending (Col. 73, lines 23-32) and reviewing the history of the shopper to induce the shopper to return based upon preselected criteria such as has the customer purchased over a certain amount of merchandise over a period of time, or has the customer not been at the store to shop within a predetermined time interval (Col. 69, lines 35-43). Thus, Examiner submits that it would have been obvious to one of ordinary skill in the art to combine the teachings of Deaton et al wherein rewards of increasing or decreasing value are provided to high volume customers with the teachings of Valencia et al wherein customers who make repeated purchases within a certain timeframe are rewarded with increasing discounts and result in the invention as claimed.

5. Applicant's arguments with respect to the 35 USC § 101 rejection outlined in the previous Office Action have been considered and are persuasive, thus, the rejection is hereby withdrawn.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims 98-105 and 107-108 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deaton et al, U.S. Patent No. 5,687,322 in view of Valencia et al, U.S. Patent No. 5,380,991.

As per **claims 98-100, 102-105 and 107-108** Deaton et al discloses:

-receiving a customer identifier that identifies a customer participating in the first transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

-determining a previous purchase associated with the customer and a time of the previous purchase, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time ...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-determining a first discount associated with the customer and a time of the first discount, as stated in column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives $2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions...";

-determining a current transaction associated with the customer, a time of the current transaction, determining a first difference between the time of the current transaction and the time of the previous purchase, and determining a second discount based on the customer identifier, and whether the first difference is less than a predetermined minimum transaction period, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-exchanging at least one item for a payment amount that is based on the second discount (as stated in column 73 lines 9-12).

Deaton et al, however, fail to specifically disclose determining a second difference between the current time and the time of the first discount and determining a second discount is based upon whether the second difference is greater than a predetermined discount adjustment period. Valencia et al disclose a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe (Col. 3, lines 1-8 and 24-41; Col. 5, lines 37-61; Col. 6, lines 6-21). Thus, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Deaton et al and include the ability to monitor the time of discounts awarded to consumers for the purpose of awarding additional coupons of increasing value to entice the consumer to make repurchases within a predetermined timeframe as taught by Valencia et al.

As per **claim 101**, Deaton et al further disclose applying the second discount to future transaction, as stated in column 73 lines 9-12, "Alternatively, an electronic incentive could be stored in the processor for use in conjunction with the user's identification such that credit can be automatically given at the subsequent purchase times." and in column 102 lines 66-67 and column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives $2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions.

***Double Patenting***

8. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970);and, *In re Thorington,* 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the

conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

9. Claims 98-108 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 46-55 and 58, respectively, of copending Application No. 09/166,267. Although the conflicting claims are not identical, they are not patentably distinct from each other because of the reasons stated below.

As per **claims 98-108** of the present application, Claims 46-55 and 58 of Application No. 09/166,267 recite all the limitations of these claims. However, claims 46-55 and 58 of Application No. 09/166,267 differ since they further recite an additional claim limitation including wherein the second discount is determined based on the customer identifier. However, it would have been obvious to a person of ordinary skill in the art to modify claims 46-55 and 58 of Application No. 09/166,267 by removing this limitation. It is well settled that the omission of an element and its function is an obvious expedient if the remaining elements perform the same function as before. *In re Karlson*, 136 USPQ 184 (CCPA 1963). Also note *Ex parte Rainu*, 168 USPQ 375 (Bd. App. 1969). Omission of a reference element whose function is not needed would be obvious to one of ordinary skill in the art.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

***Conclusion***

10. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH

shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

The Fax phone number for the **UNOFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 305-0040 (for informal or draft communications, please label "PROPOSED" or "DRAFT").

The Fax phone number for the **OFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 308-9051 or 9052 (for formal communications intended for entry).

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.

John Hayes

03 September 2001

JAMES P. TRAMMELL
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100